

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 379 – SB 319

February 22, 2010

SUMMARY OF AMENDMENT (013790): Deletes the original language of the bill. Requires the Tennessee Student Assistance Corporation (TSAC) be responsible for development of student scholarship application forms. Authorizes students who are not applying for the ASPIRE award, the HOPE Access Grant, and the HOPE Scholarship for nontraditional students to not be required to complete the Free Application for Federal Student Aid (FAFSA) form or provide any financial information to TSAC.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$22,000 in FY09-10 and by \$24,000 in FY10-11.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$162,000 in FY10-11 and by \$75,000 in FY11-12 and subsequent years.

Assumptions applied to amendment:

- According to TSAC, it currently obtains other non-financial information on students from FASFA forms. Information such as compliance with Selective Service, regarding default on Title IV educational loans, and compliance with federal drug-free rules and laws. As a result, a new application form would be required. The new application form would need to be an online form and as a result would require additional resources for development and ensuring it interfaces with the current TSAC online database. Based on information provided by TSAC, the associated one-time increase to expenditures from lottery proceeds is estimated to be \$87,000.

- Under current law, student responses are verified automatically when included on FASFA. However, if such information is provided on an alternate form, this non-financial information would need to be verified via alternative means. TSAC indicates that such verification would have to be provided by an independent vendor. The associated recurring increase to expenditures from lottery proceeds is estimated to be \$75,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc